

EXHIBIT E

THE UNITED STATES DISTRICT COURT
THE DISTRICT OF COLUMBIA

THE ESTATE OF ESTHER KLIEMAN, et al.,)

)

Plaintiff,)

)

vs.)

Case No.

) 04-1173 (PLF) (JMF)

)

THE PALESTINIAN AUTHORITY, et al.,)

)

Defendants.)

)

DEPOSITION OF

MAZEN JADALLAH

East Jerusalem, Israel

June 15, 2010

REPORTED BY: AMY R. KATZ, RPR

1 MR. HEIDEMAN: If, however, either you or
2 the witness do not understand any question, please stop
3 whoever is questioning and ask us to repeat. Do you
4 understand?

5 INTERPRETER MASARWAH: Yes.

6 MR. HEIDEMAN: Please translate to the
7 witness.

8 (Last colloquy translated.)

9 MR. HEIDEMAN: Thank you.

10 BY MR. HEIDEMAN:

11 Q. Would you state your name, please, sir?

12 A. Mazen Jadallah.

13 Q. Would you spell that for the court reporter?

14 A. In Arabic or English?

15 Q. Since I understand that you do speak English
16 and read English well, if you could spell it in
17 English, it would save some time.

18 A. (In English) M-A-Z-E-N, J-A-D-A-L-L-A-H.

19 Q. Mr. Jadallah, please tell the court where
20 you were born.

21 A. Anabta, Tulkarm.

22 MR. HEIDEMAN: Madam Court Reporter, let me
23 inquire if you were able to hear the witness and
24 understand the witness' answer, or do you need it
25 translated by the interpreter?

1 THE REPORTER: I understood, sir.

2 Q. Where, sir, did you grow up?

3 A. In Anabta until '67.

4 (In English.) 1967.

5 (Translated.) After that, in Jordan in Az
6 Zarka City from 1997 to --

7 (In English.) 1972. From 1967 to 1972.

8 (Translated.) After that in Anabta until
9 1980. After 1980 he went to Jordan to the university.

10 Q. Which university did you attend in Jordan,
11 and did you graduate, and if so, with what degree and
12 in what year?

13 A. (Translated.) He graduated. He studied
14 engineering, economic engineering.

15 INTERPRETER HAZOU: No, no. Civil, civil
16 engineering.

17 A. Civil engineering. I graduated until 1984
18 in Yarmouk University. At -- from Yarmouk University.

19 Q. Thank you.

20 And were you still living in Jordan, then,
21 in 1984?

22 A. Yes.

23 Q. So dating back to your birth and until 1967,
24 do I understand that you lived in Tulkarm, which would
25 be today in what would be described as the Palestinian

1 Territories; is that correct?

2 A. Yes.

3 Q. Thank you.

4 And after you graduated in Jordan in 1984,
5 where did you live or study, or both, next?

6 A. He lived in Jordan where he did civil
7 positions, some which were engineering and some of it
8 in selling. In selling.

9 INTERPRETER HAZOU: Commercial.

10 Q. Thank you.

11 A. Later on he went to Emirates and worked back
12 and forth between Jordan and the Emirates. Jordan and
13 the Emirates.

14 Q. And the background you've just described,
15 what years does it cover, sir?

16 A. Until 1997.

17 Q. And did you obtain any additional degrees
18 beyond your civil engineering degree at any time, sir?

19 A. He studied -- he started his master in
20 engineering economy but he didn't finish his degree.

21 Q. Where did you study for your master's
22 degree, sir?

23 A. In Irbid, at the University of Science and
24 Technological University in Irbid.

25 MR. HEIDEMAN: Where?

1 the objections based on what George has told me about
2 the translations.

3 MR. HEIDEMAN: I'd like to continue.

4 Q. Mr. Jadallah, do you understand English?

5 A. Yes.

6 Q. Do you read English?

7 A. Yes.

8 Q. Do you write English?

9 A. Yes.

10 Q. Is English your second language to Arabic?

11 A. Yes.

12 Q. Do you consider yourself to be fully
13 proficient in English?

14 A. No.

15 Q. Is there anything I've asked you thus far in
16 the 30 minutes we've spent since the commencement of
17 this official deposition that you didn't understand?

18 A. Sometimes.

19 THE WITNESS: (In English.) Very little
20 times.

21 INTERPRETER MASARWAH: Very little times.

22 Q. Do you find the translation from the
23 official translator to be accurate in each of the
24 English questions I presented to you?

25 MR. O'TOOLE: Objection. Calls for

1 Do I understand correctly that your first
2 position with the Palestinian National Authority was in
3 May, 1997?

4 A. Right.

5 Q. Do I understand that that position was with
6 the Ministry of Planning and International Cooperation?

7 A. Right.

8 Q. And do I understand that your first
9 assignment was in Gaza?

10 A. Right.

11 Q. And do I understand that from May 1997 until
12 March 1998 you were in that position?

13 A. Right.

14 Q. And do I understand correctly, sir, that
15 from March of 1998 until now, you have worked
16 continuously for the Palestinian National Authority
17 Ministry of Finance?

18 A. Yes.

19 Q. Thank you.

20 Tell us, sir, what was your first position
21 with the Ministry of Finance for the Palestinian
22 National Authority, and where were you based?

23 A. I was assistant deputy -- assistant director
24 general at the Ministry of Finance in Gaza, working
25 with the budget department.

1 Q. And how long did you remain working in Gaza
2 for the Palestinian National Authority Ministry of
3 Finance?

4 A. Until mid-2004.

5 Q. And was there some particular event in
6 mid-2004 that caused you to either change positions or
7 change the location of your work?

8 A. I only changed the location of the work to
9 the West Bank.

10 Q. And where in the West Bank have you been
11 based, for work purposes, since mid-2004?

12 A. In Ramallah.

13 Q. And where are you based today?

14 A. In Ramallah.

15 Q. What is your position with the Palestinian
16 National Authority Ministry of Finance today?

17 A. I am assistant deputy minister for
18 international relations and development projects.

19 Q. When did you assume that position, sir?

20 A. 18 months ago, I believe, or 20 months ago.

21 Q. And prior to that time, what was your
22 position?

23 A. It was the same but with less degree. I was
24 general director of the ministry.

25 Q. And you were general director; is that

1 correct?

2 A. It's the title name, general director of the
3 ministry. It is a grade called general director of the
4 ministry.

5 Q. And that's a grade; is that correct?

6 A. Yes.

7 Q. And for how long did you serve, sir, as
8 general director of the Ministry of Finance before
9 becoming the assistant deputy minister for
10 international relations and development projects?

11 A. About two and-a-half years.

12 Q. And what position did you hold prior to
13 that, sir?

14 A. General director.

15 Q. For how long?

16 A. Since beginning of 2003, I believe.

17 Q. So do I understand, then, that you have
18 worked continuously for the Ministry of Finance since
19 March of 1998 through today?

20 A. Yes.

21 Q. Do I understand, sir, that on March 24,
22 2002, you were not based in the West Bank, but instead
23 were based in Gaza; is that correct?

24 A. Yes.

25 Q. Describe to the court, please, what were

1 your responsibilities with the Ministry of Finance in
2 the time period from 1999 through 2005?

3 A. I was responsible for the international
4 relations with the Ministry of Finance and responsible
5 for preparing the budget, development budget.

6 Q. And, sir, did this development budget to
7 which you've just referred and over which you had
8 responsibility, relate only to Gaza on behalf of the
9 Palestinian National Authority or also to the West
10 Bank?

11 A. To Gaza and West Bank, through the
12 Palestinian Territory.

13 Q. So could we accept for purposes of
14 additional questions the use of the words "Palestinian
15 Territories," as you just used it, to refer
16 collectively to Gaza and the West Bank? Would that be
17 acceptable to you and accurate, sir?

18 A. With my recollection, it is Palestinian
19 Territory.

20 Q. "Territory," not "territories"?

21 A. Yes.

22 Q. Thank you.

23 And if we're in future questions and answers
24 referring to Gaza only, let's say "Gaza"; is that
25 agreeable, sir?

1 A. Okay.

2 Q. And if we're referring to the West Bank
3 only, let's say "West Bank"; is that agreeable, sir?

4 A. Okay.

5 Q. But if we are referring to both Gaza and the
6 West Bank, I believe we've agreed we'll use the term
7 "Palestinian Territory"; is that correct, sir?

8 A. Right.

9 Q. Thank you.

10 Then do I understand that for the time
11 period 1999 through 2005, your responsibilities
12 included, in the Ministry of Finance, the budget for
13 development projects for the Palestinian Territory, as
14 we've just defined it; is that correct, sir?

15 A. Somehow, because it doesn't include the
16 implementation of the budget; it's the preparation of
17 the development budget.

18 Q. During that time period, sir, were you
19 familiar with the entire budget of the Palestinian
20 National Authority and its various arms or divisions or
21 departments or ministries?

22 A. Yes.

23 Q. Tell the court, please, whether or not
24 during the time period from 1999 through 2005 the
25 Palestinian Authority distributed money under its

1 budget to a group called the Al-Aqsa Martyrs' Brigade?

2 A. The Palestinian Authority spends money over
3 what we call budget items, budget line. And there is
4 nothing called "Al-Aqsa" in our budget, absolutely.

5 Q. Thank you.

6 I understand your last answer to be that
7 there is no line item for the time period 1999 through
8 2005 in the budget of the Palestinian National
9 Authority that is a line item referred to as Al-Aqsa
10 Martyrs' Brigade; is that correct?

11 A. Yes, correct.

12 Q. Do you have, sir, an intimate knowledge, in
13 your opinion, of the budget of the Palestinian National
14 Authority for the period 1999 through 2005?

15 A. What does "intimate" mean?

16 Q. I'll rephrase.

17 Although you've just told us that there was
18 no budget line for the Al-Aqsa Martyrs' Brigade in the
19 budget of the Palestinian National Authority for the
20 time period 1999 to 2005, would you please tell the
21 court whether or not monies in any currency,
22 transferred from the Palestinian National Authority,
23 directly or indirectly, to the Al-Aqsa Martyrs' Brigade
24 for the time period 1999 through 2005?

25 A. There is no money transferred to anything

1 other than what in the budget, has a budget line. If I
2 may elaborate on this?

3 Q. Please.

4 A. Our budget, when it is approved, becomes a
5 law, and you are not allowed, according to the law, to
6 spend outside the budget. So we can only spend on
7 things inside the budget. And there is nothing in the
8 budget called Al-Aqsa Martyrs whatsoever. So there
9 were no transfers, neither directly nor indirectly, to
10 this Al-Aqsa thing.

11 Q. Thank you.

12 Were there transfers from the budget of the
13 Palestinian National Authority for the time period 1999
14 through 2005 to Fatah?

15 A. Yes, there were.

16 Q. And tell the court, please, what was the
17 size of the transfers in each year, for 1999 through
18 2005, from the Palestinian National Authority to Fatah?

19 A. Regarding the size of the transfer, we
20 submitted that to you through our lawyers. I don't
21 recall numbers. But if you want to elaborate on that,
22 please, give me the report we submitted to you through
23 our lawyers and we will discuss it, if you want.

24 Q. Do you understand that you are here as the
25 official designee of the Palestinian Authority to

1 Q. Thank you.

2 In 2002, what Palestinian National Authority
3 ministry oversaw financial issues?

4 A. The Ministry of Finance.

5 Q. And that's the ministry for which you
6 worked; is that correct?

7 A. Yes.

8 Q. And in 2002, what Palestinian National
9 Authority ministry oversaw and formulated the official
10 budget of the Palestinian National Authority?

11 A. Ministry of Finance.

12 Q. And who at that time was the head of the
13 Ministry of Finance?

14 A. In 2002?

15 Q. Yes.

16 A. Beginning of 2002 until August 2002, it was
17 Adla (sic) Nashashibi, and then after that it was Farid
18 Ghannam.

19 Q. During the period of 2002, did the president
20 of the Palestinian National Authority have any input
21 into the formulation of the budget?

22 A. Normally he has input only as limited to the
23 management of the presidential team, to the
24 presidential --

25 (Brief exchange in Arabic between the

1 Authority.

2 Q. Was there someone who was responsible for
3 handling budgetary matters for the Palestine Liberation
4 Organization different than the budgetary matters
5 handled by the Ministry of Finance for the Palestinian
6 National Authority in 2002?

7 A. Yes.

8 Q. Who was the head for the Palestinian
9 Liberation Organization of budgetary and finance
10 matters in 2002?

11 A. It was not called like this. This was the
12 Palestine National Fund, called, and its head was
13 Nasser Abu Nazali (phonetic).

14 Q. And was there someone who had
15 responsibilities for budget and finance matters for
16 Fatah in 2002, separate from the budgetary matters and
17 finance matters of the Palestinian National Authority
18 and separate from the Palestine Liberation
19 Organization?

20 MR. O'TOOLE: Objection. I just want to
21 make clear that this is outside the scope of
22 Mr. Jadallah's designation as the designee for the
23 Palestinian Authority.

24 MR. HEIDEMAN: You may answer, if you know.

25 A. For the Palestinian National Authority there

1 was a general director of budget. For the National
2 Fund, yes, it was Abu Nazali was responsible for the
3 Palestinian National Fund, which is for the PLO.
4 For Fatah, it's their own business. I don't
5 know if they have somebody responsible for budgetary
6 purposes.

7 Q. Were you a member of Fatah or any other
8 movement within the Palestinian territory in the time
9 period 1999 through 2005?

10 A. No.

11 Q. Was there a particular movement with which
12 you were affiliated at any time, since you were not
13 affiliated with Fatah during the period of 1999 through
14 2005 --

15

16 (Brief exchange in Arabic between the
17 witness, Interpreter Hazou, and Interpreter
18 Masarwah.)

19 Q. -- a member or a leader or activist of?

20 A. No.

21 Q. Were you at any time a member of any
22 political movement or political party within the
23 Palestinian territory?

24 A. Again, the question, please.

25 Q. Were you at any time from 1999 through 2005

1 a member of any political movement or political party
2 within the Palestinian territory?

3 A. No.

4 Q. As you observed it in your capacity with the
5 Ministry of Finance for the Palestinian National
6 Authority, what separation, if any, was there in 2002,
7 under the leadership of Yasser Arafat, in separating
8 finance matters between the Palestinian National
9 Authority, the Palestine Liberation Organization, and
10 Fatah?

11 A. They were hundred percent separation.

12 Q. Can you repeat your answer so we all can
13 hear it, and explain it?

14 A. There were a hundred percent separation.
15 The Palestinian National Authority has its own
16 independent budget, where one line item called
17 Palestinian Liberation Organization. That's it.

18 So the Palestinian Liberation Organization
19 was a budget item inside the overall budget of the
20 Palestinian Authority.

21 Q. In the year 2002, do I understand your last
22 answer to mean that in the budget of the Palestinian
23 National Authority was a line item for money to the
24 Palestinian Liberation Organization?

25 A. Right.

1 Palestinian National Authority, and you can approximate
2 the amount.

3 A. It was -- it was really minimal at that
4 time. It did not exceed six- or 700 million dollars.

5 Q. And what, sir, is the budget of the
6 Palestinian National Authority for 2010?

7 A. For 2010, it's about 3.8 billion dollars.

8 Q. Can you repeat the answer, sir?

9 A. 3.8 billion dollars, more or less.

10 Q. In 2002, as best you recall, approximately,
11 how many different line items were there? Not what
12 were they, but how many different line items were there
13 in the budget of the Palestinian National Authority?

14 A. "Line items" is a very, very broad word.
15 Line items, you have the main line item, which is the
16 main spending agencies. Then inside each main spending
17 agency there are line items, could be in some
18 ministries 20, in other ministries 200. So you have to
19 define what is "line item." If you mean main line
20 items, it was about 30. About.

21 Q. In 2002, did the Palestinian National
22 Authority receive a budget allocation request from the
23 Palestine Liberation Organization?

24 A. Of course. Yes.

25 Q. And did the Palestine Liberation

1 Organization submit for each year, from 1999 through
2 2005, budget allocation requests in order to receive
3 money from the Palestinian National Authority?

4 A. Yes.

5 Q. Did Al-Aqsa Martyrs' Brigade or any entity
6 referred to generically as Al-Aqsa submit any budget
7 allocation requests?

8 MR. O'TOOLE: Objection, vague with respect
9 to Al-Aqsa.

10 Q. Do you understand the question, sir?

11 A. Did Al-Aqsa submit a request to allocate a
12 budget?

13 Q. Yes.

14 A. No.

15 Q. Do you have any knowledge of the source of
16 monies received by Al-Aqsa Martyrs' Brigade for the
17 year 2002?

18 MR. O'TOOLE: Objection. Contains an
19 assumption that is objectionable, mischaracterizing the
20 evidence.

21 Q. You may answer.

22 A. If I don't know whether there is Al-Aqsa
23 Martyrs or not, it's an obvious answer.

24 Q. Thank you.

25 Sir, do you have any knowledge as to whether

1 or not there existed in the year 2000 a group referred
2 to as the Al-Aqsa Martyrs' Brigade?

3 A. Formally, no, there is nothing called.

4 Q. And what is your understanding as to what
5 the term "Al-Aqsa Martyrs' Brigade" referred to in
6 2002?

7 A. Some people talking over the TV, sometimes
8 one person or two person covering their faces and
9 saying that they are Al-Aqsa. This is my -- the only
10 thing I know about it.

11 Q. Do you know anything else about Al-Aqsa,
12 other than what you've just said?

13 A. Formally, we have nothing.

14 Q. And informally, would you explain what
15 knowledge you have, sir, as to the year 2002, of an
16 organization or group known as Al-Aqsa or Al-Aqsa
17 Martyrs' Brigade?

18 A. No more of what was mentioned in the media,
19 as I said, some people covering their faces and
20 claiming that they have formed Al-Aqsa Martyrs' Brigade
21 to liberate Palestine.

22 Q. And can you tell the court, sir, to the best
23 of your knowledge, the identity of any persons known to
24 you who were affiliated with a group or organization
25 known as Al-Aqsa or Al-Aqsa Martyrs' Brigade for the

1 year 2002?

2 MR. O'TOOLE: Objection as to the term
3 "affiliated," and calls for speculation.

4 MR. HEIDEMAN: I'll rephrase the question.

5 Q. Sir, tell the court if you know of the
6 identity of any person who you believe to have been a
7 part of Al-Aqsa Martyrs' Brigade in 2002?

8 A. I don't know anybody.

9 Q. Thank you.

10 Earlier I asked you about how Yasser Arafat
11 separated monies between the Palestinian National
12 Authority, the Palestine Liberation Organization, and
13 Fatah. Do you recall that question?

14 A. Yes.

15 Q. I don't recall the answer. Could you please
16 tell me what is the answer?

17 A. I told you that we only know about the
18 portion related to the Palestinian Authority because I
19 work for the Palestinian Authority. Whatever else he
20 can do -- he was doing, I don't know it.

21 Q. Who, sir, would be the best people to ask
22 about knowledge that they had of how Yasser Arafat
23 handled financial matters in relation to funds of the
24 Palestinian National Authority, the PLO, and Fatah, in
25 the time period 2002 and for two years before that

1 period?

2 A. I don't believe that you will find anybody
3 who can answer this question, because Yasser Arafat was
4 not handling money at all. Yasser Arafat was the
5 president of the Palestinian National Authority and the
6 head of the Palestinian Liberation Organization, the
7 head of Fatah. He was not a Ministry of Finance or a
8 financial department.

9 Q. To the best of your knowledge, did Yasser
10 Arafat ever sign any requests for monies?

11 A. Of course.

12 Q. And how, sir, did he handle, in the time
13 period 2000 through 2002, the separation of those
14 requests in relation to funds of the Palestinian
15 National Authority, the Palestine Liberation
16 Organization, and Fatah?

17 A. Again, the question, please. I did not get
18 it.

19 MR. HEIDEMAN: Please repeat the question.
20 (Pending question read.)

21 A. For the Palestinian National Authority, it
22 has its own financial management. So he normally
23 addresses the request to the financial management,
24 which is the Ministry of Finance. For the Palestinian
25 Liberation Organization we have the Palestine National

1 Fund, so if he wants to request anything for them to
2 do, he addresses them. For Fatah, I don't know,
3 because it's not part of our budget.

4 MS. MATTA: Can I ask the witness to speak a
5 little louder so the court reporter can hear you.

6 THE WITNESS: Okay.

7 Q. In the years 2000 through 2004, was there a
8 budget line for a presidential budget that was under
9 the discretionary spending of Yasser Arafat?

10 A. "Discretionary" means?

11 (Brief exchange in Arabic between
12 Interpreter Hazou and the witness.)

13 THE WITNESS: Sorry, I cannot understand the
14 question.

15 MR. HEIDEMAN: I'll rephrase the question.

16 I would like you to add, Madam Translator,
17 tell us what George, the consultant and check
18 translator for the defendants, said to the witness just
19 now, please.

20 INTERPRETER MASARWAH: The witness didn't
21 understand what you said, so George translated for him
22 that he didn't understand that word.

23 MR. HEIDEMAN: "Discretionary"?

24 INTERPRETER MASARWAH: "Discretionary." So
25 he explained for him that "discretionary" means that,

1 like, he can just decide or spend the money as he
2 likes. So that's what George explained to the witness,
3 and he asked him if he knows that Arafat did that.

4 MR. HEIDEMAN: Thank you.

5 Q. And what is your answer, sir, to the
6 question as to whether Yasser Arafat had a
7 discretionary spending budget over which he made the
8 decisions as to how the monies were spent?

9 A. I don't know what does that mean. Not in
10 terms of language, but let me tell you the following.
11 The president's office is a budget line also inside our
12 budget. They have budget allocations that should be
13 normally, under normal circumstances, transferred to
14 them each month, and this is to cover their recurrent
15 expenditures. Recurrent expenditures include
16 transportation, travel abroad, include food, include,
17 for example, car maintenance, stuff like that. This is
18 what we call recurrent expenditure. So are you asking
19 about this amount of money?

20 Q. I'm asking about any amount of money that
21 Yasser Arafat had at his disposal to spend as he
22 determined it should be spent.

23 A. His own budget, his own office budget, yes,
24 he has the authority to decide where it should be
25 spent.

1 Q. And as best you recall, sir, what was the
2 presidential office budget for Yasser Arafat for each
3 of the years 2000 through 2004?

4 A. Normally 2 million dollars a month, more or
5 less, of course, and depends on the availability of
6 liquidity.

7 Q. And, sir, were those expenditures audited by
8 the Palestinian National Authority Ministry of Finance
9 for the years 2000 through 2005?

10 A. Let me explain something here, if I am
11 allowed.

12 Q. Yes, of course.

13 A. Between the end of 2000 and 2003, the
14 Israeli occupation power, the Israeli military
15 occupation was sieging al-Mugata'a, where Yasser Arafat
16 was placed, and they almost smashed every building
17 available there, and they confiscated most of the
18 documentation there. So I will not -- nobody, I
19 believe, will ever be in a position to tell whether
20 those documentation were sent to the Ministry of
21 Finance, before the insurgence, before the attack at
22 al-Mugata'a, or anybody seen that.

23 It was a total mess. It was a total mess
24 caused by the Israeli Defense Forces. They were
25 sieging al-Mugata'a, prohibiting anybody from going in

1 or out most of the time, demolishing buildings,
2 controlling everything going in and out. So it was
3 something that you cannot discuss in an
4 institutional-based manner.

5 Q. Thank you.

6 My question is, for the years 2000 through
7 2004, could you please tell the court whether or not
8 the Palestinian National Authority Ministry of Finance
9 audited the expenditures under the presidential office
10 budget of Yasser Arafat?

11 A. They audited all the documents the
12 documentation that they could have. The Ministry of
13 Finance audited all the documentation that it can have
14 at that time.

15 Q. And who, by name, was the auditor, if you
16 recall, for the time period 2000 through 2004, who did
17 the audits of the presidential office budget of Yasser
18 Arafat?

19 A. We don't have an auditor by name. We have
20 an audit department who used to receive payment
21 requests or payment executions from other line agencies
22 and ministries, centralized at the Ministry of Finance,
23 and then any person working there can check and certify
24 that this is against the budget line or it's not
25 against the budget line.

1 Q. Who was the head of the audit department, as
2 best you recall, for the years 2000 through 2004.

3 A. Madam Mona Masri.

4 Q. Can you state the answer slower, please?

5 A. Madam Mona Masri.

6 Q. And --

7 A. Sorry, and it was not called audit
8 department. It was called Internal Control Department.

9 Q. And where were the records of the Internal
10 Control Department kept in relation to the audits and
11 reviews done of the expenditures by Yasser Arafat for
12 the time period 2000 through 2004?

13 A. At that time the al-Muqata'a building, his
14 residence.

15 Q. And is it your testimony that those audit
16 records, in fact, are no longer available?

17 A. There is no audit records. It's audited bit
18 by bit, piece by piece, invoice by invoice. If it is
19 right, it is certified for disbursement. If it is
20 wrong, it is rejected.

21 Q. Were any electronic files created relating
22 to the expenses under Yasser Arafat for the time period
23 2000 through 2004?

24 A. You have to distinguish between Yasser
25 Arafat and the institution. You ask very, very wide

1 questions. Yasser Arafat, he is a man, he is the
2 president, he is head of PLO, he is head of Fatah. So
3 when you ask such a question, nobody can answer that
4 question.

5 Q. Why not?

6 A. Because if he is spending something in his
7 personal capacity, we are not responsible to answer for
8 that. He is a person. He has the freedom to go and
9 buy a sandwich felafel. So I don't care, I will not
10 record that.

11 Q. For expenditures of Yasser Arafat in his
12 official capacity on behalf of the Palestinian National
13 Authority, were electronic files created relating to
14 the audit of those expenditures?

15 A. Exactly. For all the expenditures related
16 to his capacity at the Palestinian National Authority,
17 it is in our electronic system.

18 Q. And was that electronic system created
19 during your tenure at the Ministry of Finance?

20 A. What does "tenure" mean?

21 Q. Time. During your time with the Ministry of
22 Finance, was the electronic system of files on the
23 audit of the expenditures of Yasser Arafat on behalf of
24 the Palestinian National Authority created?

25 MR. O'TOOLE: Objection. I think there

1 needs to be clarification.

2 MR. HEIDEMAN: I'll rephrase.

3 Q. When you first joined the Ministry of
4 Finance, were there electronic files in existence
5 relating to the expenditures by Yasser Arafat on behalf
6 of or in the name of the Palestinian National
7 Authority?

8 A. Yes.

9 Q. And have those files been continuously
10 maintained in the Ministry of Finance?

11 A. Yes.

12 Q. Are all of the electronic files relating to
13 expenditures of the Palestinian National Authority
14 preserved in electronic files?

15 A. Right now?

16 Q. Yes.

17 A. No.

18 Q. What years were not preserved in electronic
19 files?

20 A. It's not whole years, it's part of years,
21 because -- let me explain here. The headquarters of
22 the Ministry of Finance, the main headquarters was in
23 Gaza, and the system was there. So all the records,
24 all the electronic records are recorded at that system.
25 There were parts of electronic subsystems in the West

1 Bank.

2 So the beginning of 2009 and during the
3 Israeli war on Gaza, they demolished the Ministry of
4 Finance. They demolished our archive, they demolished
5 our historic system, they demolished everything. So
6 now we are trying our best knowledge to extract
7 information out of the system, or any copies that were
8 taken and preserved in the West Bank before that
9 period.

10 Q. For the years 2000 through 2004, are there
11 electronic files available relating to the expenditures
12 of Yasser Arafat on behalf of the Palestinian National
13 Authority?

14 A. There are electronic copies, electronic
15 whatsoever, CDs available for that particular period.
16 But whether it covered the whole fiscal operations at
17 that time or not, nobody can tell.

18 Q. And the electronic files that you've just
19 indicated are available, in whose custody are those
20 files?

21 A. Ministry of Finance, Treasury Department.

22 Q. And who is the head of the Ministry of
23 Finance today?

24 A. It is Dr. Salam Fayyad, the minister of
25 finance.

1 A. Yes.

2 Q. And as best you've been able to analyze the
3 records you do have from 2000 through 2005 relating to
4 the expenditures of Yasser Arafat on behalf of the
5 Palestinian National Authority, what types of records
6 are available for that time period, and what types of
7 records have been, as you interpret it, destroyed in
8 relation to that time period?

9 A. We have electronic copies, as I said, at the
10 Ministry of Finance of the money transfers. If there
11 are any payment orders, it is electronically preserved.
12 This is all what we have. The rest was kept at the
13 president's office, at al-Mugata'a, and I believe -- I
14 do have any every reason to believe that it was either
15 destroyed or confiscated by the Israeli forces during
16 the incursion of al-Mugata'a.

17 Q. In 2002, what financial oversight existed
18 with regards to the discretionary spending of either
19 Yasser Arafat as president or other officials of the
20 Palestinian National Authority?

21 A. I will object to the word "discretionary,"
22 because our expenditures follow a law. We have a
23 budget law. So I -- I will not say that there were
24 anything optional to the mood of the person to spend.
25 It is following specific budget lines.

1 years 2000 through 2005 in response to those reports?

2 A. Of course. Always.

3 Q. Were there any reports that commented on the
4 manner in which Yasser Arafat handled funds of the
5 Palestinian National Authority for the time period 2000
6 through 2005?

7 A. Not from any entity that I can remember.

8 Q. Thank you.

9 Were there expenditures of the Palestinian
10 National Authority in the years 2000 through 2005 that
11 were not accounted for?

12 A. Sorry?

13 Q. Were there expenditures in the years 2000
14 through 2005 of the Palestinian National Authority that
15 were not accounted for?

16 A. No, not as far as I know.

17 Q. Did Yasser Arafat, as the president of the
18 Palestinian National Authority, have the power to
19 allocate funds of the Palestinian National Authority to
20 the PLO and also to Fatah?

21 A. To the PLO, yes. To Fatah, no.

22 Q. Why did Yasser Arafat have the authority to
23 allocate funds to the PLO, but not to Fatah, for the
24 time period 2000 to 2005?

25 A. He can allocate funds to the PLO out of the

1 Palestinian National Authority because the PLO is the
2 supervisor of the authority. PLO is the entity who
3 signed Oslo agreements, and the international community
4 until today recognizes the PLO to be the partner of the
5 peace process.

6 So in other terms, the PLO is the boss of
7 the PNA, but if the PLO decides to give part of its
8 allocation to any faction that forms the PLO, it's the
9 PLO's call. So when we are instructed by the PLO to
10 transfer part of their budget to Fatah, it is out of
11 the PLO's money, following a request of the PLO,
12 because the PLO is a budget line.

13 Q. Thank you.

14 During the time period 2000 through 2005, as
15 best you recall, did any money go directly to Fatah
16 from the Palestinian National Authority?

17 A. Yes.

18 Q. And to the best of your knowledge, did Fatah
19 also receive funds from the PLO during that time
20 period?

21 A. You have to ask the PLO.

22 Q. Were funds from the Palestinian National
23 Authority to Fatah ever made by presidential decree?

24 A. It's always made by some request from the
25 person who is managing the funds of the PLO. It

1 a financial order. If you are managing a spending
2 agency, you have the right to request disbursements
3 against your budget.

4 Q. And the right to request a disbursement
5 against a budget is referred to, sir, as a "financial
6 order"; is that correct?

7 A. Yes.

8 Q. And during the time period 2000 through
9 2004, were financial orders signed by Yasser Arafat
10 requesting disbursement of funds to various entities or
11 groups or people?

12 A. Yes.

13 Q. And where, sir, are the financial orders
14 that were signed by Yasser Arafat for the time period
15 2000 through 2005, where were they maintained during
16 that time?

17 A. Mainly in Gaza, but there were some orders
18 in his headquarters in West Bank.

19 Q. When you left the Gaza offices of the
20 Ministry of Finance in 2004, did others leave at the
21 same time, or was it just a personal transfer on your
22 part?

23 A. It was a personal transfer.

24 Q. Did there ever come a time when official
25 parts of the Ministry of Finance based in Gaza were

1 that received the information from the Gaza-based main
2 servers?

3 MR. O'TOOLE: A clarification objection as
4 to what was received.

5 MR. HEIDEMAN: I'll get there, but go ahead.

6 A. There had been some sort of transferring
7 information from Gaza to West Bank in mid-2007.

8 Q. And was there a full migration of electronic
9 records from Gaza's Ministry of Finance to the Ramallah
10 location of the Ministry of Finance in 2007?

11 A. For that particular year, yes.

12 Q. What about the historical data relating to
13 2000 to 2005, was that data backed up and was that data
14 migrated also over to the computers in Ramallah?

15 A. Part of that, because of the Hamas issue.
16 Hamas took over the Ministry of Finance beginning of
17 2006, so you know, we were headed by Hamas minister of
18 finance. We couldn't access the information, we
19 couldn't do anything until 2007. And when we started
20 mid-2007, it was a conflict between Hamas and the
21 Palestinian Authority.

22 So we managed to bring some information here
23 and there, but to have a full copy of the system, that
24 was an impossible arrangement.

25 Q. Were you able to have copies of the time

1 period of 2000 through 2005 backed up and transferred
2 to the computers at Ramallah?

3 A. Partly, yes.

4 Q. And have those records all been preserved?

5 A. Yes.

6 Q. Were any of those records destroyed at any
7 time?

8 A. At what period are you saying?

9 Q. At any time from 2000 to 2010.

10 A. Yes, I believe they were destroyed in 2002,
11 when the Israeli forces invaded the Ministry of Finance
12 and took the main servers, destructed the computers,
13 took part of the files with them, so yes, it was.

14 Q. And where was that Israeli operation to
15 which you've just referred, was that in Gaza or in
16 Ramallah?

17 A. In Ramallah.

18 Q. In Ramallah.

19 So if the 2002 entry by the Israelis was
20 then to the Muqata'a in Ramallah?

21 A. It was not entering. It was invasion.

22 Q. Invasion, yes. That, however, did not
23 interfere with the financial records that were based at
24 that time in Gaza?

25 A. No, it doesn't --

1 Price Waterhouse Coopers, like Ernst & Young, and so
2 on, to audit our accounts. The purpose, the intention,
3 with the leaders of the Palestinian National Authority
4 is to have full control, but you cannot have it just by
5 pressing a button. You have to build the institutions
6 step by step.

7 And you have to remember that we are an
8 authority under occupation. We don't have free hand.
9 So while we are discussing here, Gaza is totally
10 sieged; West Bank we control 40 percent, we only
11 administratively control 40 percent of the territory of
12 the West Bank, and 60 percent is fully controlled,
13 administratively and security, by the Israeli forces.
14 All our cities are blocked with gates. Whenever the
15 Israeli forces want to open it, they open. Whenever
16 they want to close, they close. They incurge (sic) our
17 cities and villages every day.

18 So building an institution for government
19 under such circumstances is the most difficult thing on
20 earth. But we are trying our best. We have done all
21 we can, we are proud of what we have yet, and we will
22 continue building the institutions until we are ready.

23 Q. Thank you.

24 During the time period 2000 to 2004, there
25 existed what was referred to as the Second Intifada; is

1 that correct?

2 A. Yes.

3 Q. What does "Second Intifada" mean?

4 A. Second Intifada. "Intifada" is a term that
5 cannot be translated. That's why the international
6 community takes the terminology as it is, they mention
7 it, "intifada," nobody can translate "intifada."

8 Q. Did the Palestinian National Authority's
9 budget support the Second Intifada during the years
10 2000 to 2004?

11 A. There was nothing called "Second Intifada"
12 in the budget.

13 Q. Were monies of the Palestinian National
14 Authority, during the time period 2000 to 2004, spent
15 in support of the Second Intifada?

16 A. What do you mean by "support of the Second
17 Intifada"? If you mean that the poverty line in the
18 Palestinian Territory became more than 60 percent and
19 the unemployment rate become more than 50 percent, so
20 we were supporting the most vulnerable sectors of the
21 society, yes, we were supporting vulnerable people. We
22 were supporting our medical institutions to take care
23 of the wounded and the affected, because we needed more
24 medical treatment.

25 If you refer to trying to create jobs for

1 the jobless people, we have 150,000 workers who were
2 kicked out overnight in Israel; they were not allowed
3 to go inside Israel to work. So suddenly you have an
4 increase in unemployment by 150,000. You have to find
5 some allowances for them to meet the very basic needs
6 of their life. This is what we were doing.

7 Q. During the time period 2000 through 2004,
8 being during the Second Intifada, were monies of the
9 Palestinian National Authority expended on weapons that
10 were utilized by Palestinians in committing attacks
11 upon Israelis, Americans, and others?

12 MR. O'TOOLE: Objection. Overly broad,
13 calls for speculation.

14 MR. HEIDEMAN: You can answer.

15 A. No.

16 Q. During the period of the Second Intifada,
17 from 2000 to 2004, were monies of the Palestinian
18 National Authority spent, directly or indirectly, as
19 compensation in any form to suicide bombers or martyrs
20 or others who committed or attempted to commit the
21 murder of Israelis, Americans, and others?

22 A. In the form of compensation, exactly?

23 Q. Yes.

24 A. No.

25 Q. Were funds of any kind or nature in any form

1 expended to or for the benefit of suicide bombers or
2 martyrs or their families or terrorists who committed
3 or attempted to commit the murder of Israelis,
4 Americans, and others --

5 MR. O'TOOLE: Objection.

6 Q. -- during the time period of 2000 to 2004?

7 MR. O'TOOLE: Objection. Compound, and as
8 to the specific terms "suicide bombers," "martyrs,"
9 undefined and vague.

10 MR. HEIDEMAN: You may answer.

11 A. We have what we call a minister of social
12 affairs. We have our social protection system. When
13 you say families, if they -- if they need, if they are
14 classified to be entitled of social help, we had will
15 spend for them regardless. We don't study the
16 backgrounds of each family. We study the case of each
17 family, whether they are entitled of social assistance
18 or not, and this is exactly to do the opposite of what
19 you are implying. This is to make them find enough
20 resources to keep them living in dignity, so they will
21 not resort to extremism.

22 Q. So at any time during the time period of
23 2000 and thereafter, did the Palestinian National
24 Authority expend any of its monies, directly or
25 indirectly, to those who murdered or attempted to

1 murder other persons?

2 A. Not as far as I know.

3 Q. Did the Palestinian National Authority, for
4 the time period from 2000 and thereafter, expend
5 monies, directly or indirectly, to Palestinians who
6 were imprisoned in Israeli prisons, having been accused
7 of or convicted of the murder or attempted murder of
8 Israelis, Americans, or others?

9 A. Okay, let me explain for you. Now I
10 understand why are you asking this. If you mean that
11 if there is any person who used to be Palestinian
12 Authority staff and he committed something wrong, there
13 could have been. It's -- the Palestinian Authority
14 contains 150,000 staff members, so any of them can do
15 something wrong or can do something right.

16 If this -- when you say any money, if you
17 are asking about maybe he got some salaries, I don't
18 know. You have to give me a specific case and names,
19 so I go back to the system, check whether they were or
20 not, we have those names in the system or not.

21 This is -- this is my answer to your first
22 question, which is did anybody who committed something
23 wrong inside Israel or outside Israel -- this is a very
24 general question that nobody can answer without
25 checking the system. You have to have the names, the

1 full names, the ID numbers. You put it in the system.
2 If there is anything spent, the system will tell you
3 whether there is anything spent or not.
4 Maybe you used to have a Palestinian
5 Authority staff who decided to commit a suicidal
6 action. Maybe. It can happen. But I don't know
7 whether it happened or not until you give me a specific
8 name.

9 Q. Tell the court -- yes, sir?

10 A. And for your second question about money to
11 detainees, you mean, we help the families who need
12 help, whether it's for detainees or for normal people.
13 For the families of detainees, we help in
14 two ways. One, we provide an Israeli company some
15 money to buy them food inside the prison, and this is
16 done in general and following an agreement with the
17 Israeli forces.

18 Second, for the families, if they are
19 entitled of social protection, as I mentioned, to
20 enable them to continue living in dignity, to avoid
21 taking them to other directions, yes, we provide them
22 with allowances.

23 Q. You were provided in advance of this
24 deposition with the identity of the persons who have
25 been arrested and/or convicted of the murder of Esther

1 and water that the population did not pay, and this is
2 not part of the budget. We pay that because the
3 Israelis simply deducted the price of electricity out
4 of our revenues. So it is affecting our recurrent
5 budget, but it is not part of our recurrent budget.

6 Q. Thank you.

7 For 2005, what was the total income budgeted
8 for the Palestinian Authority?

9 A. Total income?

10 Q. Yes. Is that shown in this page?

11 A. Of course, should be shown.

12 Q. Revenues, total of?

13 A. Revenues --

14 Q. Is that 4.6 billion?

15 A. No, let me find it first, please, because
16 too many categories here. It's four point -- it's
17 4 billion, 602 million.

18 Q. Yes. Compare that back, if you would, to
19 the previous exhibits, 12 --

20 MR. O'TOOLE: Could I get clarification on
21 his answers? Are we talking dollars or shekels?

22 THE WITNESS: Shekels, all shekels.

23 Q. Go back to Exhibit 12, if you would, and
24 what were the revenues of the Palestinian Authority in
25 2002?

1 A. 2002 --

2 Q. These shown on Exhibit 12?

3 A. Yes. It's 923 million.

4 Q. Can you explain to the court, please, why
5 the budget for 2002 had a revenue projection of 923
6 million?

7 A. No, this is not projection. This is actual
8 number.

9 Q. Thank you for correcting me. I'll rephrase.
10 Can you explain to the court why for 2002
11 the revenue, revenues for the Palestinian National
12 Authority were 923 million, but in 2005, according to
13 your last answer, had climbed to 4.6 billion?

14 A. Shall I answer?

15 Q. Yes, please.

16 A. For many reasons, of course. The first one
17 of them, that the Israeli Ministry of Finance decided
18 to hold our revenues. So I don't know if you are
19 familiar with the system of our revenues. Some, a
20 large portion, more than 70 percent of our revenues are
21 collecting by the Israeli Ministry of Finance and then
22 transferred to the Palestinian Authority, and another
23 part is collected domestically. The amount of the
24 revenues that we collect is much less than the amount
25 that the Israelis collect.

1 Since December 2000 they decided to stop
2 transferring revenues to the Palestinian Authority that
3 they collect, and illegally decided to do so. So in
4 the second half of 2002 they started, they resumed on
5 small transfers, transferred in some of our revenues.
6 Then in 2003 and 2004 it happened, they transfer the
7 rest. That's why the variance, because -- so the
8 number 923 doesn't reflect our real revenues. This
9 reflect the amount of revenues that entered into the
10 central treasury account of the Ministry of Finance.

11 Q. Now, tell the court what occurred in
12 December of 2000 that had the Israeli Ministry of
13 Finance withhold the transmittal of tax collections to
14 the Palestinian National Authority Ministry of Finance,
15 as you've just testified?

16 A. You have to ask the Israelis. They decided
17 unilaterally to stop transferring our revenues.

18 Q. It was, was it not, due to the Second
19 Intifada, which was killing and murdering people?

20 MR. O'TOOLE: Objection, argumentative.

21 Q. Was it not, sir?

22 A. The Intifada, the Second Intifada started
23 the end of September.

24 Q. The end of September of 2000; isn't that
25 correct?

1 A. Yes, those documents present a printout of
2 the system of the Ministry of Finance, showing some
3 disbursements done to Fatah party.

4 Q. Yes. Now, in your earlier testimony, sir,
5 you indicated that monies, if I heard you correctly,
6 monies for Fatah were transferred from the Palestinian
7 National Authority Ministry of Finance pursuant to
8 order of the Palestine Liberation Organization; is that
9 correct?

10 A. Right. Not only that, but should be against
11 their budget items and should have the total ceilings
12 that happen.

13 Q. Now, looking at this document which bears
14 Bates number 447, it is Exhibit 14, and as to 447,
15 please indicate to the court the month and date of the
16 transfer from the Ministry of Finance, the entity to
17 whom it was transferred, and the authority for the
18 transfer, as well as the amount, please, sir?

19 A. This invoice does not show the authority for
20 the transfer because this is a print of the system for
21 a payment that took place. But this shows the
22 following information: Shows the names of the Fatah
23 who is entitled of the amount of money, to which branch
24 office Fatah was paid, and shows the amount of Israeli
25 shekels, and whether this is a final payment or they

1 have still list views, and it says zero list views.

2 The reason why it was transferred, it was transferred
3 following an order from the president.

4 Q. The reason for the transfer was what, sir?

5 A. A decision by the president, request by the
6 president, who is the head of the PLO, of course.

7 Q. So the amount that was transferred, is that
8 39,131.04 shekels?

9 A. Right, it looks like.

10 Q. It was transferred, as indicated on Bates
11 447, to Fatah in Bethlehem; is that correct?

12 A. Right.

13 Q. And the date of the transfer appears to have
14 been in December, if I see it right, of 2001; is that
15 correct? Or am I misunderstanding?

16 A. No. When you are going back to the system
17 and trying to retrieve all the information, it shows
18 the fiscal year. The details would be in the invoice
19 itself. So this is from Jan 31, 2001, to
20 December 31st, 2001.

21 Q. All right. So the Palestinian National
22 Authority Ministry of Finance in the calendar year of
23 2001 transferred 39,131.04 shekels to Fatah in
24 Bethlehem, and the transfer was ordered by the
25 president of the Palestinian Authority, Yasser Arafat,

1 who also served as the president of the Palestine
2 Liberation Organization; do I understand correctly?

3 A. Correct, yes.

4 Q. Thank you.

5 Look now, if you would, at the next page of
6 Exhibit 14, being Bates number 448. This is for the
7 same year; is that correct?

8 A. Yes.

9 Q. And this is a transfer to Fatah in Jericho
10 of 34,750 shekels; is that correct?

11 A. Correct.

12 Q. And page 449 is for the same year of 2001,
13 and it shows a transfer to Fatah in the Nablus district
14 of 15,370 shekels; isn't that correct?

15 A. That was part of the transfer, but the
16 transfer of the 17,501 shekels.

17 Q. And it indicates at the top there that it
18 was a presidential decision to do that transfer; is
19 that correct?

20 A. Right.

21 Q. Would that have also referred to President
22 Arafat?

23 A. Yeah, but in his capacity -- both
24 capacities, his capacity as the leader of the PLO also.

25 Q. So that transfer that was shown on Bates

1 code 449 by Yasser Arafat was both in his capacity as
2 president of the Palestine Liberation Organization and
3 also of the Palestinian National Authority; is that
4 correct?

5 A. Correct.

6 Q. Thank you.

7 Looking now at the next page, Bates 450,
8 this is for the same year, and it's for 273 shekels; is
9 that correct? Or would it be --

10 A. Correct.

11 Q. 273 shekels?

12 A. 273,000 shekels.

13 Q. Thank you. 273,000 shekels. You did say
14 it's necessary to be precise, and thank you for
15 correcting me.

16 And it indicates there that it was pursuant
17 to presidential decision, so that too would have been
18 by Yasser Arafat, both in his capacity as president of
19 the Palestine Liberation Organization and as president
20 of the Palestinian National Authority; is that correct?

21 A. Correct. But this money was transferred to
22 the central Fatah committee in the West Bank, not a
23 branch.

24 Q. This was transferred to Fatah in the West
25 Bank as opposed to one of the others; is that correct?

1 A. No, it's not one of the others. It's the
2 management of the whole thing.

3 Q. Fatah Central Committee?

4 A. No, it's not central committee. Sorry.
5 Main headquarters, you have main headquarters, you have
6 branches. So the main headquarters is always larger,
7 and more liability and more recurrent costs to incur.

8 Q. What, in 2001 and 2002, accounting did Fatah
9 give to the Finance Ministry of the Palestinian
10 National Authority for this 273,000 shekels it
11 received?

12 A. They shouldn't be given any accounting
13 because they are not part of the Palestinian Authority.
14 They are not a spending agency on the Palestinian
15 Authority. They are given this money because the
16 Palestinian Liberation Organization decided to give
17 them this money out of its own budget.

18 Q. So that there is no confusion, then, the
19 Palestine Liberation Organization, you said earlier in
20 your testimony, is the boss of the Palestinian National
21 Authority; is that correct?

22 A. Right, and they are a budget line in our
23 budget.

24 Q. And the Palestine Liberation Organization
25 receives money from the budget of the Palestinian

1 National Authority, and that's a budget administered by
2 the Ministry of Finance; is that correct?

3 A. The overall budget is administered by the
4 Ministry of Finance, yes. The Palestinian Liberation
5 Organization budget is administered by the National
6 Fund, which I said earlier.

7 Q. Yes. And from the line of the PLO, as it
8 relates to the revenues the PLO receives from the
9 Palestinian National Authority through the Ministry of
10 Finance, it allocates money to Fatah; is that correct?

11 A. It's not revenues. It's budget allocations.
12 The PLO doesn't generate any revenues. And from the
13 budget allocations, it seems that they paid Fatah,
14 because they have to pay Fatah.

15 I don't know, I'm not familiar with their
16 budget. I'm not the person to discuss the budget, but
17 those invoices which were produced by the Ministry of
18 Finance and they directly to protect, following an
19 order from the PLO, are there to protect out of the
20 budget of the PLO, following a request from the person
21 authorized to draw from the PLO, or paid to Fatah out
22 of the budget of the PLO, following a request from the
23 person authorized to draw money from the PLO accounts.

24 Q. What other monies, other than to Fatah, did
25 the Palestine Liberation Organization have the right to

1 designate for direct payment of funds from the
2 Palestinian National Authority through your offices at
3 the Ministry of Finance in the time period 2000 through
4 2005?

5 A. Although it's a very wide question, but, for
6 example, they might ask us to send money to our
7 representation offices in Europe or in any other Arab
8 country. So anything to do with their budget lines, if
9 they ask us to spend, we will spend; as simple as that.

10 It's their money. Normally we transfer the
11 money to the National Fund, the National Fund
12 distributes the money. But let me answer why we are
13 doing this in those particular years.

14 Q. Yes.

15 A. Because of a scarcity of funds. Let's say
16 that the PLO is entitled to a hypothetical number, a
17 million dollars, that month. We don't have a million
18 to transfer to the fund, so we pay them bits and
19 pieces. Whenever we have some revenues, they can ask
20 us to pay 20,000 shekels to Fatah, 30,000 shekels to
21 our embassy in Cairo, something like that.

22 Such things happened at that time. But all
23 in all, they are entitled of one monthly payment which
24 consists of one over 12 of their annual budget, and
25 they are responsible for this person, and they are the

1 ones to answer to that, not me.

2 Q. And as best you recall, what was the
3 approximate budget allocation to the Palestine
4 Liberation Organization from the Palestinian National
5 Authority in 2002?

6 A. I don't recall anything.

7 Q. Thank you.

8 A. Let me add here to enlighten you more,
9 because -- the budget, the budgeting process, as you
10 might have concluded from the figures that you have
11 budgeted for 4 billion, and you received 900 million at
12 that time doesn't mean anything, because the revenues
13 were held by the Israelis.

14 So we were spending only the amount of money
15 we receive or we collect. So it doesn't reflect -- it
16 reflects the maximum that they can have, but they have
17 never been able during that time to have 50 percent of
18 the budgeted amount.

19 Q. Who was required to approve the amount of
20 allocation to the PLO from the budget of the
21 Palestinian National Authority for the year 2002?

22 A. It's not only the PLO budget. It's a budget
23 preparation cycle. It's a whole cycle that you do for
24 the whole Authority at the same time.

25 You receive requests from various agencies

1 of money. Normally the request you receive is double
2 the amount of revenues you have, or triple. You start
3 cutting from here and there to go back to fiscal
4 discipline or the limits of your macroeconomic
5 framework. This is how the budget is done.

6 So it's not somebody did it; it's sent to
7 the cabinet for discussion. The cabinet discusses
8 that, then they approve some framework, they send it to
9 the PLC, the Palestinian Legislative Council, who
10 discusses that, then they approve that, then to the
11 president to certify finally from all this cycle.

12 Q. For the budget year that would have included
13 March of 2002, being the month when Esther Klieman
14 died, for that budget year, when did it begin and when
15 did it end?

16 A. Beginning of the calendar year, we have a
17 yearly budget.

18 Q. So for the calendar year 2002, in what month
19 prior to the commencement of 2002 would the overall
20 budget for the Palestinian Authority or calendar year
21 2002 have been approved, as best you recall?

22 A. It particularly should have been approved
23 before the beginning of 2002, theoretically and
24 according to our budget law, which describes exactly
25 what is the budget cycle of the Palestinian Authority.

1 But during that period, as I said, our president was
2 sieged, Gaza was sieged, West Bank was closed, cities
3 occupied. Nobody can tell you whether there has been
4 really a budget which was discussed.

5 We tried at the Ministry of Finance to
6 prepare a budget framework. Our macroeconomic
7 perspectives at that time were so gloomy. The IMF, I
8 don't believe that they have even prepared the
9 macroeconomic framework for our economy. Then it was
10 some sort of draft budget, which was prepared by
11 technical staff. I don't recall that it was approved
12 by the political -- I don't recall.

13 Q. Do you recall if the cabinet of the
14 Palestinian National Authority approved the 2002
15 budget?

16 A. No, I don't recall.

17 Q. Do you recall if the legislative council
18 approved the budget for calendar year 2002?

19 A. I don't recall personally. I might be
20 wrong, I might be right, but at that time there were
21 absolutely no communication.

22 Q. And this was also during the period of the
23 height, in fact, of the Second Intifada; isn't that
24 correct?

25 A. Again, your question?

1 Q. 2002 was during the Second Intifada; is that
2 correct?

3 A. I don't know where are you leading. What
4 does "Second Intifada" mean? When did it start,
5 really?

6 Q. You said earlier it started at the end of
7 September 2000.

8 A. I heard from the media that it started end
9 of September, but when it was really particularly
10 started, I don't know. I don't know when it was
11 finished or even if it is finished or not, even if it
12 existed or not. But this was during, if you want to be
13 more specific, this chaos, this -- this problem, this
14 lack of information, was in the period end of December
15 2002 -- 2000, until almost beginning of 2003, because
16 of the frequent Israeli siege, incursion, closure,
17 demolition, destruction, arresting everybody, without
18 limits.

19 Q. All trying to stop murders; isn't that true?
20 MR. O'TOOLE: Objection, argumentative.

21 Q. You may answer.

22 A. This is your opinion.

23 Q. It is indeed.

24 MR. O'TOOLE: Objection.

25 Q. Is it not your opinion?

1 A. My opinion, that I'm totally against any
2 killing of civilians, the killing which was committed
3 by the Israelis against the Palestinians, and the
4 killing which was committed by the Palestinians against
5 the Israeli civilians. I'm totally against that.

6 Q. Thank you.

7 Look, if you would, at Exhibit 14, Bates
8 number 451. This was a transfer in 2001 for the Fatah
9 Shoat, S-H-O-A-T, camp; is that correct?

10 INTERPRETER HAZOU: Shofat camp.

11 Q. Shofat camp, I'm sorry, for 8,750 shekels;
12 is that correct?

13 A. Correct.

14 Q. In 2002, taking as an average, how much of
15 the budget of the Palestinian National Authority went
16 to the PLO?

17 A. I have no clue.

18 Q. Thank you.

19 Look, if you would, at Exhibit 14, Bates
20 number 457.

21 A. 457?

22 Q. 457, yes.

23 A. Okay.

24 Q. Is this the same Nablus district that's
25 referenced in Exhibit 14, Bates number 449?

1 Q. As it relates to the Palestinian National
2 Authority and the Ministry of Finance for the time
3 period 2000 through 2005, please tell the court what
4 safeguards were in place, if any, to assure that monies
5 distributed by the Ministry of Finance, or other
6 entities of the Palestinian National Authority, were
7 not being spent to support terrorism?

8 A. It's the same safeguards that any government
9 all over the world might take. It is internal
10 comptroller, financial comptroller for the central
11 department, external audit. Those are the safeguards
12 that we all the time try to build the capacity of. But
13 due to the disruptions of the functioning capabilities
14 of the Palestinian Authority, this goal was not
15 achieved until mid-2008, because of the siege, because
16 of the closures, because of the insurgence, people
17 cannot go to work, they cannot receive the proper
18 training, international consultants run away from Gaza
19 when they were training our staff for audit there. So
20 it -- it was a total mess.

21 We showed our intention to safeguard our
22 expenditures and to make sure that we are spending
23 against our approved budget law by creating those
24 institutions immediately. But building an institution
25 in a government is not something that can happen

1 overnight. It needs years and years to happen.

2 Q. Thank you.

3 Do I understand your last answer to be, in
4 part, that for the years 2000 through 2005, the
5 Ministry of Finance of the Palestinian National
6 Authority did not do any external audit or have an
7 external audit performed on its expenditures; is that
8 accurate?

9 A. No, it's not accurate.

10 Q. What external audit was performed and by
11 whom and for what year or years, please, sir?

12 A. The External Audit Bureau was there all the
13 time, all the time, since 2000 till 2005. Whether they
14 have access to the information to audit or not, that's
15 a question. So whatever information they were enabled
16 to check, they checked. The information that they
17 couldn't reach because of the limitations of movement
18 and access, they couldn't check. As simple as that.
19 Add in to that the lack of capacity inside the
20 institution originally, because it is a newly
21 established authority.

22 So if you want to have it from a purely
23 professional audit point of view, we were not in a
24 position to conduct a professional audit, no, a full
25 professional audit, because of the occupation, because

1 of the capacity, because of the access and movement
2 issues.

3 Q. Were any internal reports prepared by the
4 Palestinian National Authority relating to financial
5 matters for the period 2000 through 2005, relating to
6 monies of the Palestinian National Authority being used
7 to support terrorism?

8 A. There were no such reports because there
9 were no such information provided.

10 Q. There was no such report because there was
11 no such --

12 A. Information. There is nothing between our
13 hands, documents to tell that there is something spent
14 on terrorism or not. Our expenditure is limited to our
15 budget lines. So the audit was all the time against
16 the budget lines, where does that amount of money go.
17 That's it, as simple as that.

18 Q. So the budget, if I'm understanding your
19 answer correctly, if the budget for the year 2000
20 called for money to go to Fatah from the budget line of
21 the PLO, the function of the Finance Ministry in regard
22 to that budget line was to receive the directive to
23 send the money and then to send the money, and that
24 began your responsibilities and ended your
25 responsibilities. Do I understand correctly?

1 particular social welfare payment might have been paid.

2 Do you recall that testimony?

3 A. Yes.

4 Q. Is it an area of your duties or expertise
5 within the Palestinian Authority as Minister of Finance
6 to know the policies behind particular payments to
7 prisoners in Israeli prisons?

8 A. No, it's not my area.

9 Q. Do you consider yourself a Palestinian
10 Authority spokesperson on that issue?

11 A. No.

12 Q. Are there individuals who would know that
13 issue far better than you?

14 A. Of course, yes.

15 Q. Where would they be located?

16 A. In the Ministry of Detainees and
17 Ex-Detainees.

18 Q. Another series of questions that you were
19 asked was taken from the premise of whether or not the
20 Palestinian Authority supported what was described as
21 the Second Intifada. Could you recall that series of
22 questions?

23 A. Yes.

24 Q. And you were working for the Palestinian
25 Authority from 2000 through 2005; is that correct?

1 A. Correct.

2 Q. What was the Palestinian Authority's
3 position on violence during that time period, if you
4 know?

5 A. All the time we were against all sorts of
6 violence. This was our declared position, and this was
7 shown clearly in the preparation of our budget. So
8 there is nothing to the contrary. We were totally
9 against that all the time.

10 Q. Does this include all sorts of violence?

11 A. Of course.

12 Q. And what is your personal view as to
13 violence?

14 A. I am totally against violence. I am so
15 peaceful human that I believe in living together, two
16 states living in peace, living together, us and the
17 Israelis. They have every right to exist as well as we
18 have, is my opinion.

19 Q. Was this your opinion between 2000 and 2004?

20 A. It was --

21 MR. HEIDEMAN: I object to this. You've
22 opened up his personal opinions on this. These issues,
23 accordingly, we will intend to inquire as to his
24 personal opinions on many issues.

25 MR. O'TOOLE: I'm responding to testimony